

SERIAL 04227 - RFP PHARMACY SERVICES – CHS (NIGP 94872)

CONTRACT PERIOD THROUGH MARCH 31, 2010

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **PHARMACY SERVICES – CHS (NIGP 94872)**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **March 09, 2005**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Director
Materials Management

SF/mm
Attach

Copy to: Clerk of the Board
Lindy Funkhouser, Correctional Health Services
Mirheta Muslic, Materials Management



04227

CONTRACT PURSUANT TO RFP DIAMOND PHARMACY SERVICES

This Contract is entered into this 23rd day of March, 2005 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and, Diamond Pharmacy Services, a Pennsylvania Corporation ("Contractor") for the purchase of Pharmacy Services.

1.0 TERM

- 1.1 This Contract is for a term of five (5) years, beginning on the 9th day of March, 2005 and ending the 31st day of March, 2010.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum of five (5) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, County shall pay Contractor the sum stated in Final Pricing, attached hereto and incorporated herein as Exhibit "A." Payment shall be made as set forth in the RFP and or the Best and Final Offer.
- 2.2 Payment under this Contract shall be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the purchase order. Invoices shall contain the following information: purchase order number, item numbers, description of supplies and/or services, sizes quantities, unit prices, and extended totals and applicable sales/use tax. The County is not subject to excise tax.

3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as Exhibit "B."
- 3.2 Contractor shall perform services at the location(s) and time(s) stated in Exhibit "B," or in the purchase order requesting such services.
- 3.3 During the Contract term, County shall provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

4.0 TERMS & CONDITIONS

4.1 INDEMNIFICATION AND INSURANCE:

4.1.1 INDEMNIFICATION

4.1.2 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.1.3 Abrogation of Arizona Revised Statutes Section 34-226:

In the event that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then to the fullest extent permitted by law, **CONTRACTOR** shall defend, indemnify and hold harmless **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or resulting from **CONTRACTOR'S** work or services. **CONTRACTOR'S** duty to defend, indemnify and hold harmless, **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of **CONTRACTOR**, anyone **CONTRACTOR** directly or indirectly employs or anyone for whose acts **CONTRACTOR** may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including **COUNTY**.

The scope of this indemnification does not extend to the sole negligence of **COUNTY**.

4.1.4 Insurance Requirements.

CONTRACTOR, at **CONTRACTOR'S** own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of **COUNTY**. The form of any insurance policies and forms must be acceptable to **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of **COUNTY**, constitute a material breach of this Contract.

CONTRACTOR'S insurance shall be primary insurance as respects **COUNTY**, and any insurance or self-insurance maintained by **COUNTY** shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect **COUNTY**.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with

respect to the coverage provided to **COUNTY** under such policies. **CONTRACTOR** shall be solely responsible for the deductible and/or self-insured retention and **COUNTY**, at its option, may require **CONTRACTOR** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

COUNTY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONTRACTOR** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONTRACTOR** from, or be deemed a waiver of **COUNTY'S** right to insist on strict fulfillment of **CONTRACTOR'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of **CONTRACTOR'S** work or service.

4.1.4.1 Commercial General Liability. **CONTRACTOR** shall maintain Commercial General Liability Insurance (CGL) and, if necessary, Commercial Umbrella Insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The CGL and the commercial umbrella coverage, if any, additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 10 01, and shall include coverage for **CONTRACTOR'S** operations and products.

4.1.4.2 Automobile Liability. **CONTRACTOR** shall maintain Automobile Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONTRACTOR'S** vehicles (including owned, hired, non-owned), assigned to or used in the performance of this Contract. If hazardous substances, materials, or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

4.1.4.3 Workers' Compensation. **CONTRACTOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONTRACTOR'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than

\$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

CONTRACTOR waives all rights against **COUNTY** and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by **CONTRACTOR** pursuant to this agreement.

In case any work is subcontracted, **CONTRACTOR** will require the Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of **CONTRACTOR**.

4.1.5 Certificates of Insurance.

4.1.5.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

4.1.5.2 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of **CONTRACTOR'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to **COUNTY** fifteen (15) days prior to the expiration date.

4.1.5.3 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.2 PROCUREMENT CARD ORDERING CAPABILITY:

It is the intent of Maricopa County to utilize the Bank of America MasterCard Procurement Card, or other procurement card that may be used by the County from time to time, to place and make payment for orders under the Contract.

4.3 INTERNET ORDERING CAPABILITY:

It is the intent of Maricopa County at its option to utilize the Internet to place orders under this Contract.

4.4 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County
Department of Materials Management
Attn: Director of Purchasing
320 West Lincoln Street
Phoenix, Arizona 85003

For Contractor:

Diamond Pharmacy Services
Attn: Mark J. Zilner, R.ph.
645 Kolter Drive
Indiana, PA 15701-3570

4.5 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any purchases will be made. Orders will only be placed when County identifies a need and issues a purchase order.

Contractor shall take no action under this Contract unless specifically requested by County, which shall submit a written purchase order to Contractor requesting that work be performed or product be delivered.

County reserves the right to cancel purchase orders within a reasonable period of time after issuance. Should a purchase order be canceled, the County agrees to reimburse the Contractor for actual and documented costs incurred by the Contractor pursuant to the purchase order. The County will not reimburse the Contractor for any costs incurred after receipt of cancellation, or for lost profits, or shipment of product or performance of services prior to issuance of a purchase order.

Contractor agrees to accept verbal cancellation of purchase orders.

4.6 ESCALATION:

Any requests for reasonable price adjustments must be submitted thirty (30) days prior to the Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the Producer Price Index or by performing a market survey.

4.7 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing thirty (30) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.9 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.10 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.11 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.12 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.13 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.14 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.15 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.16 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.17 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CONTRACTOR

AUTHORIZED SIGNATURE

PRINTED NAME AND TITLE

ADDRESS

DATE

MARICOPA COUNTY

BY: _____
DIRECTOR, MATERIALS MANAGEMENT

DATE

BY: _____
CHAIRMAN, BOARD OF SUPERVISORS

DATE

ATTESTED:

CLERK OF THE BOARD

DATE

APPROVED AS TO FORM:

MARICOPA COUNTY ATTORNEY

DATE

**EXHIBIT A
PRICING**

SERIAL 04227-RFP

PRICING SHEET **P080403 / B0700022 / NIGP 94872**
BIDDER NAME: Diamond Pharmacy Services
F.I.D./VENDOR #: W000000730
BIDDER ADDRESS: 645 Kolter Drive
Indiana, PA 15701-3570
P.O. ADDRESS: Same as above
BIDDER PHONE #: 800-882-6337
BIDDER FAX #: 724-349-2604
COMPANY WEB SITE: www.diamondpharmacy.ocm
COMPANY CONTACT
(REP): Mark J. Zilner, R.Ph.
E-MAIL ADDRESS (REP): mzilner@diamondpharmacy.com
WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: X YES

PAYMENT TERMS:

NET 30 X

1.0 PRICING:

**PRICING FOR PHARMACY SERVICES SHALL BE BASED UPON THE FOLLOWING
FORMULA: BASE COST (ACTUAL ACQUISITION COST OF MEDICATIONS OR
PHARMACEUTICAL SUPPLIES, PLUS A DISPENSING FEE OF \$3.40, PER PRESCRIPTION**

**EXHIBIT B
SCOPE OF WORK
04227 – RFP**

1.0 INTENT:

Contractor shall provide pharmaceutical and durable medical goods services to Maricopa County Correctional Health Services (CHS), as defined herein. Contractor shall provide comprehensive pharmaceutical services to include timely filling of prescription medications for prisoners in a blister-pack format as well as 24-hour-a-day consultative services by a licensed pharmacist. In addition, the firm shall also supply intravenous and injectable medications as well as the necessary fluids and equipment for intravenous therapy. The Contractor shall also supply a reasonable assortment of durable medical goods available by physician prescription. Pharmacy services shall be provided at Maricopa County Correctional Health facilities and other approved sites. Contractor shall provide all equipment, supplies, medication and labor within the scope of this agreement.

2.0 SCOPE OF WORK:

The contractor shall address pharmacy service requirements for CHS in full compliance with the requirements/agreement as defined herein. Contractor services shall be defined generally as general and specialized pharmacy services including a comprehensive pharmaceutical services program, for CHS. Services provide shall be in complete compliance with all governing federal, state and local laws, statutes, rules and regulations.

This section will address the service requirements for the requested pharmaceuticals services. The contractor shall provide the County Jails with general and specialized pharmacy services, including a comprehensive pharmaceutical services program. These services must conform to all governing federal, state, and local laws, statutes, rules, and regulations. At a minimum, the following services are required. The requirements in the RFP shall be restated in bold type. Performance requirements of the contract are set forth below the bold typing.

2.1.1 All-inclusive provision of pharmaceuticals, including but not limited to over-the-counter medications, IV medications, vaccines, durable medical supplies, and all related supplies to the provision of pharmaceuticals.

- 1) All orders submitted via facsimile or telephone shall be delivered to the designated County Jail facility the following day, excepting Sundays and national holidays. All deliveries shall be delivered in accordance with the facility's rules and regulations governing security for the facility.
- 2) Contractor shall arrange for next day delivery of all orders that CHS has faxed, telephoned or **submitted** electronically to Contractor by 1:00 p.m. MT and all late orders that CHS has telephoned in to Contractor by 6:00 p.m. ET. CHS will order each refill by 2:00 p.m. **ET** at least 3 days before the refill is due. Shipment shall be via FedEx next day air delivery or, for shipments on Christmas, New Years, and Memorial Day, via US Postal Service express delivery, when such delivery is available.
- 3) Contractor will ship all orders six days a week, Monday through Saturday, for next day delivery **excluding** Sundays and major federal holidays. All orders shall have a guaranteed delivery time of 10:30 a.m. during the week and by noon on Saturdays. All necessary orders for Sunday will be processed by a prearranged contracted local back up pharmacy or will be shipped Monday.
- 4) Contractor will deliver all medications by the guaranteed time the following day unless (1) a medication is on **national** backorder, or (2) contractor is "out of stock" of the medication, in which case the delivery will be the following day. In the event the County determines that FedEx delivery schedule is not "working" adequately for the County's purposes, contractor will ship with another next-day air carrier that is acceptable to County.

- 5) Shipments will be delivered in accordance with the Maricopa County Sheriff's Office's (MCSO) rules and **regulations** regarding security.
- 6) In the event contractor does not have sufficient supply of a medication, contractor shall obtain the **medication** from one of contractor's retail pharmacies or within contractor's local pharmacy network. In the event **contractor is unable to obtain the medication from within its local area, contractor will order the medication** to be dispensed from a back-up Phoenix Metro-area pharmacy or obtain the medication from contractor's wholesaler the following day.
- 7) Contractor shall provide in every medication shipment a detailed computerized delivery manifest (the "Delivery Manifest") suitable for reconciling all items in the shipment and the cost accrued for each medication order in the designated-billing cycle. The Delivery Manifest will contain a clearly itemized, computer **listing** containing the following information: inmate name; inmate identification number; facility name and location; prescription number; medication name, strength, and manufacturer; quantity of medication dispensed; date dispensed; and price.
- 8) Contractor shall include within the Delivery Manifest an exception report section that clearly indicates whether an item is not delivered due to back order, owed, too soon to refill, out of refills, or any other reason.
- 9) Contractor shall correct any shortage within 24 hours after receiving notice of the shortage. Contractor shall, upon request by CHS, arrange immediate delivery of any shortage via a Phoenix-area back-up pharmacy.
- 10) Each day, Contractor shall provide CHS Administration with a delivery report ("Delivery Report"), in CHS' preferred format, sorted in the following order: inmate name; inmate identification number, facility name and location, prescription number; medication name, strength, and manufacturer; quantity of medication dispensed; date dispensed; and price. Contractor shall provide the following Delivery Reports:
 - a. Medication Delivery Report – An alphabetical printout of all medications dispensed by day.
 - b. Scheduled Items Report – An alphabetical printout of all controls dispensed by day.
 - c. Billing Report – Delivery report containing all medications, NDC numbers, and price for all medications dispensed that day.
 - d. Any other reports requested by CHS.
- 11) Every order will be tracked daily to ensure timeliness and accuracy of each delivery. Upon request by a CHS facility, contractor will automatically e-mail the facility with the FedEx or UPS tracking number. Contractor will set up each facility with a FedEx account so that the facility will be able to view all packages to be shipped to the facility. Contractor, at County's request will set up reference numbers with facility codes and dates so the County facilities may track a package via telephone.
- 12) Delivery Tracking – Contractor will track every order daily to ensure timeliness and accuracy of each delivery. Contractor shall be capable of providing CHS with delivery times and signature names. Upon request by CHS, Contractor shall provide the following tracking services to any facility:
 - a. An automatic daily e-mail with the FedEx or UPS tracking information linked to the facility's specific tracking number and to the shipping company's website for one click package tracking.
 - b. A special FedEx account that will allow online viewing of all packages to be shipped to the facility.
 - c. Setup reference numbers with the facility code and dates so that a CHS facility may track a package via telephone.

2.1.2 Consultant personnel and services as necessary and as prescribed by law.

- 1) Contractor and Contractor's pharmacy shall be available to CHS 24 hours a day, 7 days a week and on all major holidays. Contractor's pharmacists shall be available via toll-free telephone or an answering service, with a pharmacist available to respond immediately to the answering service message. Contractor shall provide a registered pharmacist 24 hours a day, 365 days a year to perform routine and emergency consultations regarding all phases of CHS' pharmacy operation.
- 2) Contractor's staff shall make cost effective recommendations supported with the proper documentation.
- 3) Contractor will be equipped and capable of meeting with CHS staff through teleconferencing. Contractor will make its system capable of meeting all reasonable standards for teleconferencing, as provided by Maricopa County and the Arizona Telemedicine Network. Contractor's staff shall teleconference, as necessary, with CHS staff. Contractor's pharmacists, I.V. nurses and respiratory therapists shall use teleconferencing to provide regular inservice training to CHS staff.
- 4) Contractor's pharmacists shall serve as standing active members of the clinical team providing consultations to CHS prescribers and nurses in relation to pharmaceutical therapy and cost effective recommendations. Contractor's pharmacists shall provide recommendations on all aspects of pharmacy utilization including cost, usage, drug interactions, inappropriate usage, etc.
- 5) When requested by CHS, Contractor shall provide training sufficient to provide continuing education ("CE") credits to CHS staff. Contractor shall coordinate inservice education and CE credits through its partnerships with drug companies.
- 6) Upon request, Contractor shall provide disease state management protocols for chronic illnesses, such as diabetes, hypertension, cardiovascular disease, asthma/COPD, HIV, etc. The protocols shall include therapies and cost effective pharmaceutical guidelines.
- 7) One of Contractor's pharmacists shall serve as an active member of the Pharmacy and Therapeutics (P&T) and the Pharmacy Quality Assurance (QA) and all other committee meetings as required by CHS during Contractor's quarterly reviews. Contractor shall use the meetings to maintain CHS' commitment to a cost effective formulary management program. Contractor and CHS medical staff shall work as a team to continually raise the standard of care and to help reduce costs. Contractor shall also serve as a standing active member of the clinical team, providing consultations to the prescribers and nurses in relation to pharmaceutical therapy. During quarterly meetings, Contractor shall report on and make recommendations concerning formulary management and usage, statistical reports, new medications, changes to the drug formulary, pharmacy inspections, drug regimen reviews, pharmacy operational issues, etc.
- 8) Contractor shall provide a registered pharmacist to perform an overall inspection of the medication rooms in CHS facilities. This inspection shall be performed quarterly. The inspection will ensure that the each facility is in complete compliance with all federal, state, local and pharmacy laws and regulations in regards to the guidelines of the facility, Controlled Substance Act, The State Board of Pharmacy, State Statutes, National Commission on Correctional Health Care (NCCHC), American Correctional Association (ACA), and the Joint Commission on Correctional Healthcare Organizational (JCAHO) standards. The results of the audit will be discussed with Director, Chief of Operations, and Medical Director or their designees. A written and signed and dated documentation of the inspection sheets, including recommendations made, corrective actions implemented and problems observed, will be provided to the Nursing Supervisor or designee. A summary of the inspections will be reported during the P & T meetings. On future inspections, Contractor will monitor all previous recommendations to assure compliance.
- 9) Contractor's consultant pharmacists will prepare and assist in the development, implementation, monitoring, and updating of the facilities' and Contractor's policy and procedures manual for the safe and effective distribution, control, administration and use of medications throughout the CHS facilities. Contractor will customize and continuously update its Policy and Procedures Manual to meet CHS' specific needs. CHS may use the Policy and Procedures Manual in training employees. Contractor's manuals shall follow all NCCHC, ACA, and JCAHO guidelines, HIPAA Standards, Arizona State Board of Pharmacy, DEA and FDA guidelines.

- 10) Contractor shall review all areas within CHS relating to pharmacy, including but not limited to medication records, storage, and security. Contractor will provide each quarter an overall inspection of the medication room of the CHS facilities. Contractor's inspection will ensure that each facility is in compliance with all federal, state, local, and pharmacy laws and regulations in regards to the guidelines of the Department, Controlled Substance Act, State Board of Pharmacy, NCCHC, ACA and the Policy and Procedures of each facility. Contractor's inspection will include, without limitation, the following:
 - a) Cleanliness and proper organization of the medication room.
 - b) Medication ordering, charting, documentation and record keeping.
 - c) Narcotic recordkeeping is properly maintained and that counts are accurate.
 - d) Review medication distribution procedures and conduct medication pass audits. Contractor shall train CHS staff on proper medication pass techniques and provide CHS with a med pass training video.
 - e) Examine contents of the emergency medication kit and or crash cart for outdated or missing items.
 - f) Ensure that the refrigerator temperature is properly controlled and no outdated medications or food are stored within.
 - g) Remove any outdated medications and stock supplies.
 - h) Review all aspects of pharmaceutical care of the inmates.
 - i) Review medication utilization and individual therapies.
- 11) Contractor will assist CHS in the accounting, reconciliation, and disposal/removal of unused medications including controlled substances as outlined by federal, state, and local laws and regulations. Contractor shall provide count sheets for strict accountability and to ensure all documentation will be enforced as required by law.
- 12) Contractor shall provide CHS with signed and dated inspection sheets identifying any problems observed, recommendations made, or corrective actions implemented. In addition, Contractor shall provide inspection reports to the medical director, healthcare administrator, and/or nursing staff for follow up and evaluation of performance, as appropriate. The inspection reports will outline compliance with applicable laws and regulations and point out deficiencies and/or recommendations to comply with all NCCHC and ACA standards and state and federal laws and regulations. Contractor will review the inspection reports on site with CHS staff during the quarterly P & T meetings.
- 13) Contractor will perform the pharmacy services required by this contract, in accordance with all federal or state laws, statutes, or regulations presently enacted, or that may hereafter be enacted.

2.1.3 Packaging of pharmaceuticals to include a specialized dispensing system to ensure safe and efficient medication distribution. This dispensing system will include blister cards, baggies, soft medication programs, and such other means of dispensing medication as necessary to ensure compliance with all the laws governing dispensing of pharmaceuticals.

- 1) The following describes performance requirements for Contractor's medication distribution system:
 - a) Contractor will provide professional and accurate pharmaceutical services for all prescription, non-prescription, and intravenous solutions as ordered by all prescribers. Contractor shall dispense and label medication for each inmate in complete compliance with all current and future local, state, and federal laws, regulations, provisions and court orders. Contractor shall provide AB-Rated generic substitutions, when available and approved by the prescribers. Contractor shall provide to CHS only approved medications, biologicals, and other related items.
 - b) Contractor will provide to CHS a specialized dispensing system that best suits each facility's needs for safe, efficient, and cost effective medication distribution. Contractor will dispense oral patient-specific medications in unit-dose tamperproof blister cards or pill bottles in the quantity prescribed.
 - c) Contractor will dispense prescription and non-prescription medications in CHS' choice of tamper-proof USP Class B unit-dose blister cards, conventional prescription bottles, stock bottles, baggies, soft medications program, or other systems.
 - d) Contractor will exert its best efforts to comply with any special packaging request

CHS might require.

- e) Contractor shall send prescription medications in quantities as prescribed by physicians but shall not exceed a thirty (30) day supply unless the patient is being released on a program that requires greater than 30 day supply. Contractor will dispense maintenance medications in a thirty (30) day supply unless CHS requests a different quantity, as in the case of an inmate scheduled for release in less than 30 days or medications that are used short term, such as antibiotics, PRN, and pain medications, ATA, trial of a new medication, etc.
- f) Contractor will send discharge medications in the quantity requested by CHS. All discharge medications will be dispensed in a child proof container, unless otherwise requested in writing.
- g) Contractor will send OTC medications in bulk packaging, unless the prescriber has ordered the medication for an individual patient, in which case the medication will be dispensed in blister packs or prescription bottles, as requested.
- h) Contractor will provide ear drops and liquids in the original manufacturer container or will repackage from the original glass containers if requested.
- i) Contractor will provide creams and ointments in the original manufacturer's container or will repackage from the original metal containers into plastic jars for security reasons, if requested.
- j) Contractor will provide the proper accounting and documentation sheets to properly record administration and counts of controlled, non-controlled and OTC medications.
- k) Contractor will ship IV mixtures compounded, labeled, and ready to administer or, if requested by CHS, in Mini-Bag Plus packaging for easy on-site self mixing for emergency situations.
- l) Contractor will work with CHS to facilitate the KOP (keep on person) or self-medication system.
- m) Contractor will review CHS' current operation and make suggestions in regards to the arrangement and policies of the CHS medication room, medication cart, and distribution system.

2) The following describes performance requirements for Contractor's labeling:

- a) Contractor shall package oral medications in tamper resistant unit dose blister packs or stock bottles. Each prescription will be properly dispensed and labeled inmate specific or as stock in complete compliance with all current and future state and federal laws, rules, regulations and provisions in accordance to all labeling regulations. Each label will include the following information:
 - i) Inmate's name
 - ii) Inmate's identification number (if requested)
 - iii) Cell block (if applicable)
 - iv) Medication name and strength
 - v) Dosage form
 - vi) Generic interchange information
 - vii) Quantity dispensed
 - viii) Manufacturer's name
 - ix) Lot number
 - x) Medication expiration date
 - xi) Route and times of administration

- xii) Directions for use (Spanish available, if requested)
- xiii) Prescription number
- xiv) Prescriber name
- xv) Original date
- xvi) Dispense date
- xvii) Discontinue date and/or refill information
- xviii) Dispensing pharmacist's initials

Contractor shall place warning/auxiliary labels on each prescription for safe and effective medication use describing reactions, cautions, warnings, interactions, and dietary instructions such as take with food, may cause drowsiness, shake well, etc.

- b) Contractor shall mark controlled medications with a red letter "C" and package the medications in a red blister card for easy identification.
- c) Contractor shall place on all medications a thermal bar code label with a peel off refill tab with increased print clarity and print size. Contractor shall supply the tabbed refill labels on every medication order. Each refill tab shall contain the patient name and number, medications name, quantity, number of refills, prescriber, and prescription number. The refill tab shall be an easy reference to enable the nursing staff to properly identify the information on each reorder tab. Nursing staff shall be able to easily refill the medication by peeling the tab off of the prescription label and placing it on a refill form.
- d) Each label will contain a barcode in the symbology recognized by CHS' computer system, if requested. The barcode will contain any information requested such as inmate name, inmate number, medication name, etc.

2.1.4 All prescriptions and other information required by law to accompany the issuance of a prescription shall be provided in English and, as necessary pursuant to the needs of the prisoner, in Spanish.

- 1) Contractor shall provide a complete set of patient medication information monographs for formulary medications in English and Spanish. These monographs will outline the medications classification, usage, administration, and side effects. Contractor shall provide the monographs to educate clinical staff on the classification, usage, administration, and side effects of the medications.

2.1.5 Management of prescribing practices through record keeping and prescription tracking. The County will designate such authorized personnel in writing and only those persons designated in writing by the County shall be authorized to order prescriptions and other medications from the provider.

- 1) Contractor shall dispense prescriptions in the amounts prescribed by authorized CHS providers. Contractor shall only accept orders from designated staff authorized to place orders.
- 2) Contractor shall provide professional comprehensive pharmaceutical services for all prescription, non-prescription, and intravenous solutions as ordered by all prescribers. Contractor shall provide generic substitutions, when available and approved by the prescribers.
- 3) Contractor shall send to CHS only approved medications, biologicals, and other related items. Contractor shall dispense and label all medications in complete compliance with all current and future local, state, federal and department laws, rules, regulations, and provisions.

2.1.6 The provider shall provide a toll-free number for use by the County in ordering pharmaceuticals and other controlled medications.

- 1) The following describes performance requirements for Contractor's medication ordering procedures:
 - a) CHS Orders may be phoned, faxed, or electronically transmitted to Contractor's pharmacy toll free.
 - b) CHS Orders may be transmitted to Contractor's pharmacy via facsimile, computer or by phone exactly as prescribed by CHS providers. CHS Faxes may be transmitted 24 hours a day, seven days a week. CHS may fax to Contractor's pharmacy orders, changes, or discontinues using Contractor's daily drug order forms, physicians order sheets, or other mutually agreed upon forms. CHS nursing staff or designee may fax physician's order sheets to Contractor as long as the orders are complete.
 - c) Contractor shall immediately update its computer system when order changes or discontinuations are faxed to Contractor's pharmacy.
 - d) CHS may fax refills to Contractor's pharmacy by affixing the two (2) part peel-off refill label to the "Medication Reorder Form." CHS may telephone refills into Contractor's pharmacy technicians by providing the inmate's name and seven (7) digit prescription number. CHS will follow this procedure only if the order cannot be transmitted via fax machine.
 - e) CHS will fax STAT orders to Contractor's backup fax hotline.
 - f) Contractor shall send a fax confirmation automatically to CHS' fax machine documenting the actual number of pages and time the fax was received. Contractor will maintain a computerized log of all faxed orders received for easy reference. Contractor shall maintain sufficient capacity to receive virtually all faxes on the first attempt.
 - g) In the event Contractor's fax machines or lines are disabled, CHS may fax orders toll-free to Contractor's retail pharmacies. In the event of a failure of the aforementioned procedure, CHS may telephone orders into Contractor's Pharmacy or to the Phoenix Metro-area back-up pharmacy.
 - h) Contractor shall will provide the following to CHS to expedite and to assure accuracy of orders:
 - i) Daily drug order sheet samples necessary for transmitting new orders, refills, changes, stop orders and discontinued orders. Backup STAT pharmacy order forms to fax to Contractor's backup hotline.
 - ii) Peel-off tabs for easy reordering.
 - iii) A brand new plain paper fax machine for the transmission and receipt of information between your facilities and Contractor's facility. Each fax machine will be programmed specifically for CHS with each facility's name, phone number, special dialing instructions such as "pressing 9" and Contractor's 800 speed dial number. Contractor's toll free fax number is 800.523.0008. Contractor's faxes will be programmed to provide a fax confirmation sheet on every transmission. CHS may purchase fax cartridges locally or through Contractor.
 - iv) Dedicated Pharmacy Technician – Contractor shall provide CHS with one primary technician designated to processing CHS orders. The dedicated technician shall be familiar with all of CHS's specific requirements and needs. In the event the dedicated technician is not immediately available, CHS shall have the option of leaving a voice mail or speaking with the dedicated technician's team partner who will be cross trained to process CHS's orders effectively.

- 2) The following describes performance requirements for Contractor to interface with any future computerized ordering or EMR systems that CHS might install.
 - a) Contractor shall provide an online program that will enable CHS to easily look up patient profiles, perform searches by patient, psychiatrist, formulary status, medication, drug class, patient's on particular classes of medications, etc. and print the correct formulary reports on demand at each facility. The system shall not substitute for Diamond's monthly formulary management reports or any impromptu reports needed by CHS.
 - b) Contractor will provide a barcode order check-in system, if requested, so that each facility could download its daily delivery sheet through a secure server and check orders with a barcode scanner and computer. CHS must meet system specifications and pay a software licensing fee for this service.
 - c) Contractor's system shall enable CHS to do the following, subject to meeting system specifications:
 - i) Maintain patient profiles and make necessary order changes.
 - ii) Look up patient profiles, know when a medication was ordered, know if a medication is too soon to refill or out of refills, etc.
 - iii) Enter orders to be downloaded to Contractor's pharmacy.
 - iv) Notify CHS staff if the medication ordered is a non-formulary medication and list formulary alternatives, together with CHS' actual cost.
 - v) Order medications online using drop down screens.
 - vi) Screen for allergies and drug interactions.
 - vii) Print reports.
 - viii) Print new MARs on demand utilizing a laser printer or utilize an electronic MAR utilizing bar code scanning.

2.1.7 Provider shall provide fax machines at each of the County's Jail facilities for ordering medications via facsimile at no additional charge to the County.

- 1) Contractor shall provide, without charge, fax machines to each ordering area for the transmission and receipt of information between CHS facilities and Contractor's facility. Contractor will supply enough machines to accommodate CHS' needs. Each fax machine will be programmed specifically for CHS' facilities with each facility's name, phone number, special dialing instructions such as "pressing 9" and Contractor's 800 speed dial number. Contractor's fax machines will be programmed to provide a fax confirmation sheet on every transmission. In addition, if requested, Contractor will fax an additional confirmation back to CHS' facility verifying how many sheets Contractor received.

2.1.8 Generic medications will be utilized unless the authorized prescribing physician specifically designates to "dispense as written."

- 1) A generic medication is considered the chemical or common name of a product having the same active ingredient as the brand name medication. Contractor's pharmacists will select a therapeutically equivalent FDA approved AB-Rated generic medication (comparable bioavailability and or bioequivalency) and will substitute it for a brand name medication in accordance with the provisions of state law, unless the prescriber specifically states otherwise. If the prescriber requires a brand name medication, the words "Brand Medically Necessary" must be written on the order.

2.1.9 Provider shall provide to the County two-part peel-off reorder labels and fax order sheets for utilization by the County in reordering medications.

- 1) See the performance requirements for RFP Requirements 2.1.3 and 2.1.6.

2.1.10 Provider shall assure that all orders are signed for by authorized personnel when delivered and are tracked by Provider's pharmacy. A detailed packing slip, listing the medications enclosed, must accompany each delivery of pharmaceuticals.

- 1) Contractor shall perform this requirement as written above. See also the performance requirements for RFP Requirement 2.1.1.

2.1.11 All orders submitted via facsimile or telephone shall be delivered to the designated County Jail facility the following day. All deliveries shall be delivered in accordance with the facility's rules and regulations governing security for the facility.

- 1) See the performance requirements for RFP Requirement 2.1.1.

2.1.12 Provider shall provide starter packs of certain oral solid medications, which might be needed for immediate administration.

- 1) Contractor shall provide stock cards of certain medications needed to begin therapy for immediate administration until an inmate-specific prescription is received.
- 2) Contractor shall supply all current and future stock card medications at the request of the Medical Director.
- 3) Medications and stock quantities for starter doses will be determined in conjunction with the Medical Director.
- 4) Contractor shall provide accountability sheets for reconciliation of all doses.
- 5) Contractor shall package stock card doses in tamperproof blister packs.
- 6) CHS shall fax completed accountability sheets into Contractor's pharmacy (for reconciliation of doses) when stock is depleted. The medication, however, may be reordered when needed by faxing the peel-off reorder label to Contractor's pharmacy.
- 7) Contractor shall provide starter packs including the full therapy of commonly utilized medications under a prescriber's protocol, if requested. Labeling will contain a blank space for the inmate's name and physician's signature along with the protocol directions and quantities or labeled as "take ____ tablets ____ times daily." CHS prescribers may simply fill in the inmate's name and sign the label if this system is utilized.

2.1.13 Provider's clinical pharmacist shall screen the profiles of each prisoner to ensure safe and therapeutic medication administration.

- 1) Contractor shall process and update all orders, changes, and discontinues on a daily basis as they are transmitted. Prior to filling each prescription order, Contractor will verify the accuracy, inquire about unclear or illegible orders, and screen each inmate's complete computerized medication profile to ensure safe and therapeutic medication administration before the prescription leaves Contractor's pharmacy. Contractor will screen inmate prescription profiles for the following:
 - a) Duplicate therapy from medications in the same therapeutic class
 - b) Medication interactions and incompatibilities (including drug-drug, drug-order and drug-age interactions)
 - c) Excessive/sub-therapeutic dosages
 - d) Appropriateness of medication therapy
 - e) Inmate medication allergies
 - f) Medications which are refilled too soon (More than 8 days early)
 - g) Medications ordered past the designated stop date.
 - h) We will alert your staff via phone or fax of such occurrences prior to shipping your order.

2.1.14 Provider shall maintain a pharmacist on call twenty-four hours a day, 365 days per year, to respond to questions concerning medications. Provider shall maintain a toll-free telephone number for access to said pharmacist.

- 1) See the performance requirements for RFP Requirement 2.1.2.

2.1.15 Provider's clinical pharmacist will review the County's medication room on site on a quarterly basis to ensure that all procedures in the medication room comply with governing laws. Said clinical pharmacist shall provide documentation of said inspection and any recommendations to improve compliance.

- 1) See the performance requirements for RFP Requirement 2.1.2.

2.1.16 Provider shall provide emergency medication supplies that County determines necessary to maintain in stock at the County's Jail facilities, which are deemed necessary to alleviate pain, infection, modify dangerous behavior, or to preserve life.

- 1) Contractor shall provide emergency prescriptions for stat orders through Contractor's emergency kit/starter packs or a pre-arranged subcontracted local back-up pharmacy of CHS' preference. Emergency medications not found in either the emergency medication kit, the starter packs or unavailable from Contractor will be provided to CHS by a pre-arranged contracted local back-up pharmacy.
- 2) Contractor shall provide a contracted local back-up pharmacy to perform emergency pharmacy services.
 - a) For emergency prescriptions, CHS staff may fax or electronically transmit to Contractor's stat line 24 hours a day, 365 days a year and Contractor will phone or fax the back-up pharmacy and arrange for the emergency prescription.
 - b) In phoning Contractor with emergency orders, CHS staff will be directly transferred to a pharmacist immediately by pressing the pharmacist option on Contractor's automated phone system or after hours to Contractor's answering service which will patch a call through to the pharmacist on duty.
 - c) Emergency prescriptions will be delivered directly to CHS utilizing the backup pharmacy's delivery service or by a prearranged taxi or courier service that Contractor will set up. Contractor will bill CHS the contracted negotiated backup pharmacy rate.
 - d) Contractor shall provide, with Contractor's monthly invoice, detailed reports of all emergency prescriptions by the back-up pharmacies. Contractor will work with the CHS Medical Director to determine which medications should be added to the stock supply list to help minimize future emergency needs.

2.1.17 All data generated by Provider under contract will be the property of Maricopa County. Upon termination of this contract, all such data shall be delivered to the County in the form designated by the County at the time of contract termination.

- 1) All data, records & reports under the contract will be considered the property of Maricopa County. Upon termination, all such data will be delivered to the county in the requested format.

2.1.18 The Provider must supply to the County, on a monthly basis, a drug utilization report identifying the medications utilized by each prisoner, and prescriber or prisoner profile, and a drug formulary report containing a drug list formulated jointly with the prescribing physicians. The Provider must also agree to cooperate and facilitate a quarterly audit of its pharmacy services provided to the County. This audit will assess the compliance of the Provider's services with all federal, state, and local laws, rules, regulations, and guidelines governing the operation of the Jail and the provision of pharmaceutical care for correctional facilities. When such audits are conducted, the County shall provide a copy of the written report of the audit to the Provider and shall meet with Provider's personnel to review the audit.

- 1) Contractor shall provide CHS with monthly medication usage reports. Contractor's formulary management reports shall contain comprehensive data a statistics including color graphs and charts which will summarize specific medication utilization and trends, statistics, physician prescribing habits, and other necessary utilization data.
- 2) Contractor will provide any requested computer generated reports and statistical information in hard copy and electronically in a spreadsheet format. Contractor will sort all reports in any requested format, order or groupings including by inmate name, medication, therapeutic class, prescribing physician, facility, etc. Data elements which will be utilized are but not limited to: Inmate Name, Inmate Number, Correctional Facility, Provider, Date of Service, Prescription Number, Medication Name, Medication Class, Medication Strength, Quantity Dispensed, Days Supply and Drug Acquisition Cost.
- 3) Contractor will provide proper invoicing and printouts to facilitate full reconciliation of charges. Contractor shall, without limitation, provide the following reports:
 - a) Computerized cost reports sorted by facility, patient name, and prescriber name. The reports will contain the requested date range that summarizes drug cost by inmate name, facility, date range, medication name, therapeutic class, number of doses, percentages, etc.
 - b) Management data including medications ordered, processed, delivered and disposed.
 - c) Detailed inmate profiles
 - d) Patient medication allergy and medication interaction alerts
 - e) Monthly medication usage per inmate
 - f) Medication utilization report
 - g) Summary of total medication costs
 - h) Continual narcotic controlled substances inventory and dose count
 - i) Monthly psychotropic usage report
 - j) Computerized Medical Administration Records (MAR's)
 - k) Medication stop date reports alphabetical by inmate showing which prescriptions are approaching their discontinue date within a certain time frame. This report will show which orders are due to expire.
 - l) List of inmates taking medications that are known to produce adverse side effects when they are exposed to high temperatures or the sun
 - m) Total doses per inmate dispensed
 - n) Percentage of inmates on medications
 - o) Percentage of inmates on particular classes of medications such as controls, psychotropics, etc.
 - p) Formulary vs. non-formulary medications dispensed
 - q) Number of prescriptions per inmate
 - r) Number of new and refill prescriptions dispensed
 - s) Number of doses dispensed
 - t) High to low usage by dollar amount of formulary and non-formulary medications dispensed
 - u) High to low usage by quantity dispensed by medication, psychotropics, and OTC's
 - v) Medication breakdown listed by specific physician by class, specific medications, controls, psychotropics, all medications, etc.
 - w) Medication therapeutic classification reports outlining detail and usage (i.e. psychotropic, HIV, controlled substances, etc.)
 - x) Top ten (10) most expensive patient's profile showing a detailed listing
 - y) Cost containment recommendation reports
 - z) Side effect and medication interaction reports
 - aa) OTC medication listing reports
 - bb) Medication cost summaries
 - cc) Medications and quantity ordered
 - dd) Notification of medications reordered too soon
 - ee) Invoices containing medication name, NDC and AWP
 - ff) Itemized credit report showing prescription detail and credit for returned medications

- gg) Brand vs. generic detail report
- 4) Contractor shall meet or exceed the quality standards of the facilities, Controlled Substance Act, State Board of Pharmacy, FDA, American Correctional Association (ACA), National Commission on Correctional Health Care (NCCHC), Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and HIPAA. Contractor have many years experience in helping facilities achieve and maintain their accreditation.
 - 5) Contractor will strictly comply and adhere to the Health Insurance Portability and Accountability Act (HIPAA) of 1996 in keeping private and to secure information which is considered Individually Identifiable Health Information (IIHI). Contractor will provide a detailed action plan to ensure compliance with HIPAA regulations and will assist the facilities in planning, developing and adhering to these requirements at the facilities.
 - 6) Contractor will monitor medication usage and distribution utilizing written policies and documentation sheets to ensure proper distribution of all medication throughout your facilities.
 - 7) Contractor will provide adequate safeguards for all psychotropic and all scheduled controlled medications.
 - 8) Contractor will evaluate program effectiveness throughout the contract and will be a proactive member of the facilities' interdisciplinary team, working diligently to assure that compliance is maintained with all federal, state, and local laws and regulations.
 - 9) Contractor shall be licensed in good standing with the State Pharmacy Boards in accordance with the standards of the Commonwealth of Pennsylvania and State of Arizona as a non-resident pharmacy and with the Federal Drug Enforcement Agency to dispense controlled substances in Schedules II through V.
 - 10) Contractor shall supply all Material Safety Data Sheets (MSDS), when requested.
 - 11) Contractor will maintain all appropriate documentation, including but not limited to prescription records, inventory records, medication destruction, controlled medication perpetual inventory, patient profiles, copies of all prescriptions, etc. All documentation relating to Contractor's performance will be maintained in an orderly fashion and is readily retrievable and will be open for review by the appropriate prison staff or appointed designee.

2.1.19 The provider must make such arrangements as necessary with a local pharmacy to provide backup pharmaceutical coverage for the County in those situations where emergency prescriptions are required and the need for said medication dictates immediate response.

- 1) See the performance requirements for RFP Requirement 2.1.16.

2.1.20 Prescriptions shall be transmitted to the pharmacy via an electronic modality. Contractor is to establish procedures to verify completeness of transmitted order. Contractor must provide a toll free transmission media.

- 1) See the performance requirements for RFP Requirements 2.1.1, 2.1.6, and 2.1.7.

2.1.21 Electronic/On-line Access:

2.1.21.1 Provide electronic/on-line access to updates of pharmaceutical supplies, medication, pricing (as applicable) and news releases.

See the performance requirements for RFP Requirement 2.1.6.

2.1.21.2 Provide electronic/on-line and telephone access to a customer service representative, pharmacist, or consulting service twenty-four (24) hours per day, seven (7) days a week.

See the performance requirements for RFP Requirements 2.1.2 and 2.1.6.

2.1.21.3 Provide up to a thirty- (30) day supply of medications or quantity, the exact packaging to be determined by the facility.

See the performance requirements for RFP Requirement 2.1.3.

2.1.22 Generic Medications:

CHS will establish standing rules for substitution of generic medications.

See the performance requirements for RFP Requirement 2.1.8.

2.1.23 Over The Counter Medications:

2.1.23.1 Contractor shall supply Over the Counter (OTC) medications that are ordered by the physician or ordered for use by the health care facilities. This pertains to stock and patient specific labeled prescriptions.

See the performance requirements of RFP Requirement 2.1.3.

2.1.24 Delivery Schedule:

2.1.24.1 Contractor, as part of this RFP will specify delivery turn-around time from order to delivery.

See the performance requirements of RFP Requirement 2.1.1.

2.1.24.2 Contractor shall propose a schedule for delivery to County's receiving points.

See the performance requirements of RFP Requirement 2.1.1.

2.1.24.3 Contractor shall specify how deliveries will be tracked and the responsible party for tracking deliveries.

See the performance requirements of RFP Requirement 2.1.1.

2.1.25 Formulary Development:

2.1.25.1 Contractor shall submit a proposed formulary that will foster safe, appropriate and effective drug therapy.

- 1) Contractor will assist in the development, implementation, compliance and ongoing maintenance of a cost effective drug formulary for CHS, if requested. See also the performance requirements of RFP Requirement 2.1.26.1.

2.1.26 Non-Formulary Request System:

2.1.26.1 The Contractor will have a formulary control system in the event CHS decides to establish such a system

- 1) Contractor will enforce formulary compliance, if requested by CHS. Through a predetermined process, Contractor will require the use of non-formulary request forms for non-formulary medications. If a non-formulary medication is ordered without a completed non-formulary request form, Contractor will send an alert to each facility listing medication name and strength, patient name and prescriber so that the prescriber will consider changing the medication or completing a non-formulary medication request form to approve the medication. If the completed form is still not received, Contractor will dispense your choice of either a small quantity of the medication or none at all until Contractor receives the completed form or until the prescriber changes the prescription to a formulary medication. Contractor will review and analyze non-formulary medication usage on a monthly basis.
- 2) Contractor will implement an automatic therapeutic substitution program in conjunction with the Medical Director, if requested. Contractor will work with the prescribers to develop a listing of equivalent dosages of more cost-effective medications that will not compromise the care if switched. When a physician prescribes an expensive non-formulary medication on the list, Contractor will automatically substitute the pre-approved more cost-effective equivalent in the proper dose and frequency. Contractor will outline this substitution in detail so all prescribers and nursing staff are well aware of all of the substitutions.
- 3) Extensive formulary management services will be provided by working in conjunction with the medical director and the prescribers to reduce medication cost and to provide monthly usage data accompanied with statistical graphs.
- 4) Contractor will provide a formulary exception report sorted by prescriber, medication name and/or by patient listing all the non-formulary medications prescribed for a particular period. That report will contain the following

information: medication name and strength, dispense date, inmate name and number, prescriber, cost per prescription and total cost per medication dispensed.

- 5) Contractor will systematically analyze aggregate patterns of medication usage in conjunction with the prescribers and recommend modifications such as eliminating the use of unnecessary or inappropriate medication, reducing waste, recommending more cost effective medications or therapies, reducing nursing time required for medication administration, etc.

2.1.27 Credits/Current Inventory:

The Contractor shall specify how existing drug inventory and returns of unused medications/supplies, in the future, will be used/credited.

- 1) Contractor shall evaluate Maricopa County's inventory onsite. Contractor will purchase all of CHS' medications if legally permitted.
- 2) Contractor will review the current stock supply and provide a transition program which will help CHS to minimize waste. Contractor will provide the Central Pharmacy an organized plan based on actual usage to taper down their stock.
- 3) Contractor will offer credit on returned medications remaining in their original sealed blister pack which are within three (3) months of expiration, have not been released to the inmate population, are not controlled substances, and were permitted by the State Board of Pharmacy. Credit will be offered on full or partial cards.
- 4) When returning, CHS may place the peel off tab on Contractor's "Return Form" and write the quantity CHS is returning directly on the tab. CHS may place the cards in a return box without peeling off the sticker or recording the returns. CHS will receive in its next statement an alphabetized computerized copy of the credits showing the quantity returned and the exact amount of credit given for each line item. Noncreditable medications or medications that the inmates brought into CHS may also be returned to Contractor for disposal / destruction at no charge to CHS.
- 5) Contractor will be responsible for the shipping cost of all returned medications and will provide CHS with prepaid preaddressed FedEx PRP or UPS ARS labels. CHS will affix labels to the return box and turn the box over to Contractor's express delivery personnel on their normal delivery to each facility.

2.1.28 Pricing:

2.1.28.1 Contractor pricing in response to this RFP shall use one of the following formulas: (i) base cost (actual acquisition cost) of medications or pharmaceutical supplies plus (+) a dispensing fee per prescription; or (ii) average wholesale price (AWP) minus (-) a percentage. Alternate pricing may be offered, however all proposals shall also include pricing utilizing one (1) of the two (2) formulas defined in this section. The County reserves the right to not consider any alternate pricing offered, in the best interests of the County. In the event the proposer elects to offer alternate pricing, the page format found in Attachment A, (Pricing Page) shall be used. The proposal shall clearly state that alternate pricing is offered, and the alternate pricing shall be clearly identified, as such.

- 1) Contractor shall provide all medications to CHS at the Actual Acquisition Cost (AAC) of the medication, plus a dispensing fee per prescription of \$ 3.40.

2.1.28.2 Contractor will specify the method for calculating any cost increase (if any) over the term of this contract.

- 1) Contractor will not increase its pricing rate for the duration of this contract. The only price change that will occur is the Actual Acquisition Cost (AAC) as the manufacturers update pricing fluctuates up or down.

2.1.28.3 Contractor shall state, in layman's terms, how any manufacturer rebates, price adjustments or any other form of credit that is received shall be shared with CHS.

- 1) Contractor will not offer rebates since they are difficult to track; however, in lieu of offering rebates, Contractor shall have lowered Contractor's prescription dispensing fee appropriately.
- 2) Contractor shall give consideration for credit for any coupon programs that the Contractor can bill directly to Contractor's vendors, and shall advise CHS on a timely basis.

2.2 TERMS AND PAYMENT:

2.2.1 Payment under Contract will be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the Purchase Order. Invoices shall contain the following information: Purchase Order number (if required by CHS), item numbers, description of supplies and/or services, sizes, quantities, unit prices and extended totals and applicable sales/use tax. The County is not subject to excise tax.

- 1) Contractor's invoice shall show all charges and credits for returns. Contractor will provide this information once monthly or more often, if requested.
- 2) Contractor's invoice will be provided in the format preferred by CHS, including hard copy, CD ROM or diskette in Excel format.
- 3) Contractor shall sort each statement by CHS' preference of inmate name, medication name, medication category, (i.e. psychotropic, HIV, etc), dispense date, physician, and/or cost, etc.
- 4) Contractor's statements shall include the contract number and or purchase order number. Each line item shall contain a prescription number, inmate name and identification number, medication name and strength, quantity dispensed, acquisition cost and/or AWP, NDC number, date the prescription was dispensed, prescriber name, and credits.
- 5) Contractor shall print billing statements individually and shall bill directly, if requested, any inmate or other jurisdiction such as INS, US Marshall, federal government, federal inmates, other counties, etc.
- 6) Contractor shall list credits individually showing the amount of credit listed for each item. Contractor will provide an alphabetized computerized printout of all credits issued showing patient's name, prescription number, date, medication name, quantity returned and amount of credit issued. Contractor will provide a duplicate copy of CHS' return form with the credit listed on each return label.
- 7) Contractor shall bill medical assistance, health insurance, ADAP, workers compensation, the Federal Government, INS, US Marshall's, the Arizona Health Care Cost Containment System ("AHCCCS") or other sources of payment if the patient is eligible for such assistance. These prescriptions to other sources will be billed at the State Medicaid Rate, or such other rate as may be applicable. If these sources shall not pay their invoice within 90 days, CHS will be responsible for all charges at the agreed upon rate and Diamond will cease billing these sources.
- 8) Contractor shall provide, upon request, multiple copies of statements.
- 9) Contractor shall provide, upon request, customized invoicing reports.
- 10) Contractor's wholesaler invoices are available for review upon request by CHS to verify that Contractor's acquisition costs are accurately reported.

2.2.2 The Contractor will submit an invoice for supplies and/or services, setting forth by date the prescriptions issued and the cost of said prescriptions to the County for all prescriptions and medications ordered by the County and issued by the Provider in the preceding month to:

**CHS Finance Unit
Correctional Health Services
111 W. Monroe, Suite 900
Phoenix, AZ 85003**

The County will remit payment for such invoices in full within thirty (30) days of the invoice date.

2.2.3 An error in the invoice may cause the entire billing to be returned to the Contractor for correction, which would delay the processing for payment.

1) Contractor shall perform this requirement as written.

2.2.4 A separate invoice must be provided per facility and cost center. Contractor will submit sample invoices with RFP response.

1) Contractor shall perform this requirement as written.

2.2.5 Each invoice submitted to CHS for payment shall have the facility name and operational statistics as defined in Section 3.12.4, under paragraph 2 of "Documentation."

1) The performance requirements of this section include the following, at a minimum:

- a) Detailed inmate profiles
- b) Patient drug allergy and drug interaction alerts
- c) Monthly drug usage per inmate
- d) Drug utilization report
- e) Continual narcotic controlled substances inventory
- f) Monthly psychotropic usage report
- g) List of inmates taking medications that are known to produce adverse side effects when they are exposed to the sun
- h) Total doses per inmate dispensed
- i) Percentage of inmates on medications
- j) Percentage of inmates on psychotropics
- k) Formulary vs. non-formulary medications dispensed
- l) Number of prescriptions per inmate
- m) High to low usage by dollar amount
- n) High to low usage by quantity dispensed
- o) Medication breakdown listed by specific physician
- p) Medication classification report
- q) Cost containment recommendation report
- r) Side effect and drug interaction report
- s) Stop date report

2.2.6 CHS will, within 30 working days from the date of receipt of a clean claim, process and send to Finance an invoice for payment. The CHS Finance Administrator or designee may adjust the invoice for items disallowed in accordance with the terms of this Contract and will submit the claim for payment at the adjusted rate. If the Contractor protests the disallowance, the Contractor must provide, in writing, notice to the CHS Finance Administrator or designated representative of the disputed claim.

1) Contractor shall perform this requirement as written.

2.3 IMPLEMENTATION:

The Contractor shall provide a detailed implementation plan as part of the RFP. As a minimum, the following areas will be addressed and/or required:

2.3.1 Develop a Project Work Plan identifying and documenting the detailed requirements/specifications for integrating the Pharmacy Services System into CHS operations. Include the following in the Project Work Plan:

- 1) Contractor shall exert best efforts to implement a smooth transitional period as Contractor begins services under this contract. Contractor shall provide a start-up schedule, which covers the initial inservice of staff by a registered pharmacist prior to the change of service, a time frame for all transitional activities, and resolution of identified problems.
- 2) Contractor shall inservice CHS staff shortly after notification. Contractor shall immediately send policy and procedures manuals, order forms, fax machines, medication carts, formularies, etc. for initial review. The initial days of the schedule will consist of gathering basic information from CHS.
- 3) Contractor's pharmacist will inservice the CHS' staff that will be involved with any aspect of Contractor's pharmacy services program. Contractor will train all shifts as necessary. Contractor will perform a thorough training of Contractor's ordering procedures, storage of pharmaceuticals, accounting procedures, pharmaceutical distribution, management and inventory, pharmaceutical trouble shooting, etc. Training and system support will be available throughout the contract period.
- 4) While on-site Contractor will gather information such as physician's licenses, contact person's names, emergency kits, policy and procedure development, formulary development, etc. Contractor will ensure a smooth transitional period based on Contractor's years of correctional experience. Contractor will work closely with CHS on the start up schedule and comply with any time frame necessary to meet CHS' needs. If needed, Contractor can begin services immediately.
- 5) Contractor has proposed a start up schedule which the Parties shall review and implement upon execution of this contract. Contractor understands that a quick start up is preferred. Due to Contractor's size and experience, Contractor will have the ability to effectively set CHS up in seven (7) days.
- 6) Contractor will provide complete training to CHS' staff prior to, during, and after conversion to Diamond Pharmacy Services Total Healthcare Management System.

2.3.1.1 A "best case" implementation schedule, to include start date from award of Contract.

- 1) Contractor's best case implementation schedule is seven (7) days from the award of the contract..

2.3.1.2 Document all requirements and specifications for integration and implementation.

- 1) Contractor has provided a timeline to CHS. In order to start within Contractor's proposed timeframe, CHS will provide Contractor ample access to CHS' medical and pharmacy staff. CHS shall provide Contractor with all necessary information concerning the medications carts, backup pharmacy and other pertinent information requested by Contractor.

2.3.1.3 Identify equipment, facility, personnel and logistical needs to be provided by CHS.

- 1) CHS shall provide key personnel to provide Contractor with pertinent information and to allow for proper inservicing.

2.3.1.4 Identify equipment, software, logistical support and personnel available to CHS during and after implementation.

- 1) Contractor will provide personnel onsite to inservice the staff for the conversion of service. Contractor will provide medications carts and fax machines as requested.

2.3.1.5 Identify process for training of CHS personnel.

- 1) Contractor's registered pharmacist will inservice all appropriate staff onsite as previously outlined in this section.

2.3.1.6 Identify how current patient prescription database will be transferred to Contractor-maintained database.

- 1) Contractor shall exert best efforts to interface with CHS' CIPS program and download the information directly.

2.4 CONTRACTOR RESPONSIBILITIES AND POLICY GUIDELINES:

2.4.1 Prior to approval to work in County jails or detention facilities, all Contractor employees or subcontractors shall be subject to a background check including, but not limited to, fingerprinting and a check for outstanding warrants or convictions, and clearance by the Maricopa County Sheriff's Office.

- 1) Contractor shall perform this requirement as written.

2.5 TAX:

No tax shall be levied against labor. Proposal pricing shall include all labor, overhead, tools, equipment used, profit, and any taxes that may be levied. It is the responsibility of the bidder to determine any and all taxes and include the same in bid price.

- 1) Contractor shall perform this requirement as written.

DIAMOND PHARMACY SERVICES, 645 KOLTER DRIVE, INDIANA, PA 15701-3570

PRICING SHEET P080403 / B0700022 / NIGP 94872

Terms:	NET 30
Vendor Number:	W000000730 X
Telephone Number:	800/234-6337
Fax Number:	877/234-7050
Contact Person:	Mark J. Zilner
E-mail Address:	mzilner@diamondpharmacy.com
Company Web Site:	www.diamondpharmacy.com
Contract Period:	To cover the period ending March 31, 2010.